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02

THE INDIAN RAILWAYS

STATE *Vs.* PRIVATE MANAGEMENT

IM80720

This pamphlet was compiled by a Committee of Home Rulers, who are now minutely studying problems of current interest to the Indian Nation. Suggestions and criticisms will be gratefully received by the Committee, and they may be addressed to M. Subraya Kamath, 10, Esplanade, Madras.

64

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THE INDIAN RAILWAYS

STATE vs. PRIVATE MANAGEMENT

Three general tests are open to students of Indian politics for determining the wisdom or benefits of any proposed reform: the trend of Indian opinion, the views of Anglo-India and the growing current of opinion outside this country. Where in all these three, taken singly, there happens to be marked unanimity, and the second group of critics disagree with the other two, it is generally safe to assume that India benefits by the course opposed by Anglo-India. And this test becomes singularly operative with respect to the problem discussed in this pamphlet. Anglo-Indians are as unanimously for continuing the present system as Indians are for State management, and it will be seen from some of the facts mentioned hereafter that in several advanced countries opinion is very strongly for State management.

Let us first ask ourselves how far the present Railway administration has made itself acceptable to the people. The answer is obvious. From Cape Comorin to the Himalayas and from Karachi to Dacca, complaints are lodged against the railway companies stating that they charge rates that are excessive, preferential and unjust, that they withhold facilities from Indian traders, that they differentiate between races and that they are not amenable to Indian public opinion. Either there is a cause for this or the Indian Railway system must be a grossly maligned institution. The ferreting out of all evidence leads one to the invariable conclusion, which our leaders have clearly stated, that the sooner the Indian Railway system is managed by the State the better will it be for our industrial development and progress. The railways in all the civilised States are managed by the State except in the United States of America and England. Even England has now got her railways under the State control.

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One wonders why our Government has not taken the management of her railways when the facts and figures are so much in favour of it. It is said that John Bull always looks from the standpoint of a shopkeeper, and as a business proposition, the Government management must bring to the coffers of the State the money that now goes into private pockets. Again, the duty of a good Government is to look after its subjects, and the railways being the highways of traffic, it becomes its duty to take over the charge of the railways.

The Third Class Passenger

The rates charged by these companies are excessively high when compared to those of other countries. Adam Smith has said that the tolls for the maintenance of a high road cannot with any safety be made the property of private persons. Railways are in their origin highways, and so the right to charge fares must be held by the State. The Railway companies have possessed a power of levying taxes probably more exacting and more effective than that enjoyed by any kings. John Stuart Mill in his Principles of Political Economy says: "The charge made for services which cannot be dispensed with is in substance quite as much compulsory taxation as if imposed by law.....This applies to the case of a road, a canal, or a railway. These are always in a great degree practical monopolies, and a Government which concedes such monopolies unreservedly to a private company does much the same thing as if it allowed an individual or an association to levy any tax they chose for their benefit on all the malt produced in the country or on all the cotton imported into it." The freight as well as the passenger rates and fares are here high. The companies are but commercial enterprises, and as such they try to make as large a profit as possible and this burden cannot be dispensed with unless the State intervenes.

The treatment meted out to the third class passenger is a disgrace on the management.* How often have we not seen the

* "The chronic overcrowding of third class passengers still continues. The condition of the Indian third class passengers from the moment of their attempt to purchase tickets up to the time they alight somewhere and hand over their tickets is very miserable"—Hon'ble Mr. Vijayaraghava Chariar.

Koviloor Acadamy

poor third class passengers, men, women and children, being huddled into a wagon in a manner we would not treat even sheep and cattle, while the lighted first class cars are hauled on from station to station quite empty. The Pilgrim Committee have clearly stated that the treatment of the third class traffic is not satisfactory. Is it not a well known fact that on festival days the people are packed in cattle trucks and sometimes they are crowded into the open trucks also to be scorched by the hot sun or drenched by the rain? The accommodation for the third class gentlemen is deficient. The railway companies do not care for their convenience at all. The waiting room for the third class traffic is often dirty and ill kept. The railway staff treats him with scant regard, and if a third class passenger thus suffocated and buffetted escapes into an empty second class or "Reserved for Anglo-Indians" car, he is charged with attempting to defraud the company of its due or for tresspass. Though he is the source of the greatest profit, the third class passenger is the subject of least regard.

It has been recognised by all railway companies that the largest income and consequently the largest profits are from the much despised third class traffic. The rich first and second class passengers have got more benefits, comforts, and privileges, nay luxuries too, while they pay a comparatively smaller amount than their poorer third class brethren who have not even got the barest comforts, to leave luxuries alone. In order to get one hundred rupees from a first class passenger, the company has to spend nearly double the amount that it spends in order to get one hundred rupees from a third class passenger and sometimes it so happens that the much abused third class passenger has to make up the loss caused by his richer brethren who travel in first and second class. The companies are spending large sums of money in providing the most luxurious accommodation, every facility and convenience, for the superior classes, but they are doing this practically at their own expense, while it is really the humbler third class passengers that supply the sinews of war. The third class traveller, while he has the honour of paying the piper, has not got the right of calling the time.

Ninety out of every hundred passengers travel by the third class and only ten travel by first or second class. The Railway

Koviloor Acadamy

company keeps only 75 per cent. of the cars for third class accommodation, the rest 25 per cent being intended for the first and second class passengers. The Railway Companies make 88 per cent of their profits from the third class passengers and yet they are made to suffer. The State must step in and take up the management to give relief to the suffering third class passengers.

The mandate has gone forth that a discrimination shall be made between class and class, between race and race, though the proclamation of 1858 clearly states that no such distinction between races shall be made. No department employs so many Europeans and Anglo-Indians as the railway system. They do not care for the words of the proclamation and go on in their own way giving appointments to Europeans and Anglo-Indians. The criterion of employment is not fitness but race. Many of the higher posts have been closed to Indians and the children of the soil have been refused employment not because they were unfit but because they were pure Indians. The higher posts are the monopoly of Europeans. No department has been such a great blunder in this respect as the Railway Companies. Even the State departments do not encourage the Europeans and Anglo-Indians to such an extent as the Indian Railway Companies, and we can emphatically say that when the State takes up the management the conditions will change and more and more Indians will be employed in the higher ranks. By employing Europeans, our money goes out of the country and increases the already enormous annual drain. When the State takes up the management, less money will go out of the country and also more Indians will find employment.

Often have we seen empty or half filled cars reserved for Anglo-Indians, while the vast public who travel by third class and pay the same fares have to go standing in a carriage intended for eight and in which there are already more than twelve. The legality of reserving compartments for Anglo-Indians is a very doubtful one but still the Indian people have to suffer. But may we venture to ask, who pays for drawing these half-filled or empty cars? And if it is the third class passengers, what right has the company to set apart some

Koviloor Acadamy

space for a particular race? Under State management, the Government cannot differentiate between race and race and better conditions will prevail.

As the Hon'ble Mr. Vijayaraghava Chariar said in the Imperial Legislative Council, our railway administration is not up-to-date under the management of the companies. Our railways are very backward both in accommodation as well as in economy. The railways must be an asset to the country, but now, they are not to the extent they can be. The foreign railway companies are not interested in helping our indigenous industries and travelling public. In other countries railways are so constructed and managed that congestion in the cities is lessened by having a number of trains in the mornings and evenings to the suburbs. But what do we find here? A great deal of insanitary conditions prevail in our towns and the corporations are unable to solve the health problem. The death rate in our towns is high, and one of the causes for this state of affairs is that the towns are very-crowded and the workmen and the middle class live in over-crowded areas and houses. As a consequence of such crowding and consequent insanitary conditions, disease sets in and it is generally from these parts that epidemics begin to rage. With the help of the Railway companies this congestion can be lessened. Cheap trains must be run from the metropolis to the suburbs so that labourers* and officers may come and go in the mornings and evenings. These must be run at convenient hours, so that the workmen and officers can be in the city in time and the fares must not exceed the difference of rents in the town over that of the country. Thus congestion will be lessened and also the labourers would be able to go out into the country and breathe the fresh air after a day's hard toil in the dusty city.

The zone system of fares which was introduced into Austria and Hungary by the help of two Englishmen has proved a complete success. This system is specially suited to poor and agricultural countries. After the introduction of this system, the Austrian Government were able to make considerable reduction in the fares and the number of passengers nearly

* "To my mind I want another and a cheaper class, a class for labourers in India"—Hon'ble Mr. Vijayaraghava Chariar.

Koviloor Acadamy

doubled. In the zone system, instead of issuing separate tickets from one station to every other station, tickets are issued for a range of ten miles, twenty miles and so on. All the stations which are within a radious of ten miles from that station have got one ticket and one fare. Stations which are beyond ten but within twenty miles have got another ticket. There is a considerable reduction in the number of tickets. By using this system, more people will use the trains and they will travel for longer distances than they now travel and also the rates can be reduced considerably. This system is specially suited to an agricultural country like India.

One of the great defects of the company management is that they will not undertake experimental work for fear it may prove a failure. They connot introduce the zone system or institute a number of workmen's trains at cheap rates for fear they might lose their profits. But if the State takes up the management, they can cheapen the rates and also help the public in many ways. Mr. Gladstone, seventy years ago when he introduced his State Purchase Act for the English Railways system, said : "There is no liklihood that the great experiment of the greatest possible cheapness to the public will be tried under the present system." We find it proved to the hilt in India to-day.

Under the State management, the railways would carry the mails free of charge. Now the postal department has to pay for the transit of the mails and the railway staff never handles the mails. The postal staff has to come and wait to load and unload the mails. When the State manages the railways, railway servants themselves can handle the mails thus effecting a great economy, and also there will be closer union between the postal and railway departments which will be for mutual benefit. When there is more co-operation between them, the postal department can undertake to convey parcels of a larger size. Now the postal authorities convey only very light parcels, and most of the Indian articles sent in parcels are heavier than the maximum postal parcel weight, so if the postal authorities arrange to carry heavy parcels it will be very useful to Indians. In America and Germany, they have successfully introduced the heavier parcel system which has not yet found its way to

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India. When both the postal and railway departments are under the control of the State, they conveniently can introduce it..

Company management and National Development

We are but stating the bare truth—in fact repeating a charge made publicly in the Supreme Legislative Council—when we say that the railways in India are managed not with a view for our industrial progress but with the object of exploiting the country and making out of it as large a profit as possible. A board of directors six thousand miles away cannot know the grievances of the travelling public, and even when they know, it is but rarely that they interfere in favour of the public. We will not be far from right when we say that the railway companies are not amenable to Indian public opinion and do not treat the Indians with respect. Recall for a moment the treatment of the Congress Special to Madras in which some of our leaders were travelling. The behaviour of the companies staff looked as if they defied the Indian public. Under State control and management, the railways will be better conducted and will also be more amenable to Indian public opinion.

People very often forget that railways in India are managed by foreign companies. Yearly a large amount of money from two to nearly five millions sterling goes out of the country. While a large majority of Indians live on one meal a day, can we patiently see such a large sum go out of the country? In the interest of the country, this great leakage must be stopped. If the government manages the railways, it will get all this money which can be expended on education or sanitation. Under State management, more Indians will find employment in the railway department and the amount that goes out of the country as pay to Europeans will be lessened.

The railway companies are more interested in sending the raw produce out of the country and bringing in the manufactured goods into the heart of the country than carrying the Swadeshi and Home made goods, from one internal centre to another. Lancashire and Manchester goods are more cheaply transported by the companies to the inland towns than the textile goods of Nagpur and Baroda. The staple food products

Koviloor Acadamy

and other raw produce are taken to the ports at a cheaper rate than that charged to carry them, to an equally distant inland town. Thus the children of the soil who have toiled during the whole year suffer very often from famine, for their food is cheaply transported to the ports and from them to the foreign countries. Again, the railway companies differentiate in the transit rates between sea-borne trade and internal trade in a manner detrimental to the later. Under the present system, the transit rates for oil seeds bound for the seaports are cheaper than the transit rates for oil. Thus instead of extracting the oil out of the seeds and exporting the oil, the people export the seeds and thus our country loses the oil seed cakes and the profits of oil extraction.

Again there is the system of block rates which we shall consider later on. This iniquitious system of preferential rates coupled with the erroneous free trade policy, have flooded our markets with a great deal of cheap and flimsy "Made in——" (not India) articles and our industries are being ruined. Everywhere we see the beautiful and artistic workmanship of our countrymen displaced by foreign articles manufactured without an eye for beauty. In the interests of agriculture, commerce and industry, a substantial alteration must be made in the railway policy. The pressure of foreign competition is so great that if we wish to replace the foreign articles by our home made Swadeshi articles we require a sympathetic management that will look to our interests. The advantages given by our railways to foreign producers by the conveyance of goods at lower rates than from the seats of home production affect our infant industries very greatly and are nothing short of a national danger that threatens to strangle our industries. It would be every bit as fair for the Government to pay a direct bounty on foreign imports as to allow the railway companies to pay it by means of the system of preferential rates which is one of the factors that enables the foreigner to undersell the Swadeshi merchant. The State that is now doing so much for our industries, must take up the management of the railways and help our rising industries. Thanks to Government pressure, there has been recently a change for the better, but not to a satisfactory extent.

Koviloor Acadamy

Maximum efficiency with the minimum expenditure must be the policy of any concern. The management of the Indian railways is neither efficient and up-to-date nor is it economical. As their policy is not service but only profit, they cannot be expected to be very efficient. People may say that it is to their interest to be economical and as such they would not waste money. It may be that each company by itself is economical and makes out the largest profit possible, but taken as a whole, the railway management is not economical.

Arguments for Company Management

The advocates of company management are very fond of threatening us by saying that with company management the competitive influence would go away and we will thereby be losing a great boon. One wonders how this fallacious argument still has so much importance attached to it when the theory of railway competition has long since been exploded. As a matter of fact, there is no real healthy competition that helps the public, but the system, on the other hand, is a huge burden, inasmuch as there is a great leakage and wastage in the system.

The waste involved in the maintenance of several scores of managing agencies acts as a perfectly needless tax upon the trading and travelling public. The companies under this system sometimes try to divert the trade out of their natural and short trade routes. Thus a large amount of rolling stock always stands idle, because the trade does not pass through its natural trade routes. By offering a lower rate, the export goods and raw products of Delhi are carried to Karachi and not to Bombay, its natural seaport. The rolling stock on the Bombay-Delhi line intended for this trade is a partial waste and the Karachi lines have a great deal of congestion. Again, the forcing out of the coal traffic from their shortest routes is an unnecessary waste. This artificial diversion of goods traffic by means of block rates is ruinous to the country. A particular company may profit by it but it is a national waste. As Mr. Sydney Webb says: "Hitherto the truck or wagon of one railway company, carying goods to a station on the lines of another company, has too often returned empty to the owning company when there were no goods available to load back to that company's lines. Think for a moment of the hundreds of thousands of miles of

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unnecessary haulage of empty trucks and wagons, the wasteful consumption of thousands of tons of coal and innumerable days of labour, the unecessary wear and tear and the needless congestion of traffic at particular points involved in the proceeding .....The aggregate number of wagons and trucks actually 'on the move' at any particular moment represents, it is said, an extraordinarily small percentage of the total stock. There is always a popular complaint of shortage of trucks, and at many points, at some session of the year, there is a demonstratable shortage. It is not that the railway managers fail * to see the waste involved nor do they deny that national economy could be effected, But hitherto each manager has been concerned not to prevent waste in other railway companies or on the system as a whole but merely to get the greatest net profit for his own Company. For the view that complete national 'pooling' of all the goods and mineral wagons of the country would effect '*a saving of several millions of pounds annually* to the companies and a great accleration of traffic to traders and the public,' we have, at any rate, the authority of a very experienced railway chairman, on the advice of not the least able among the managers, after an exhaustive examination of the whole problem." In the same town, there are two or three passenger stations, goods depots, and receiving offices of different companies where one would be enough. Hundreds of clerks are employed now to find, what fraction of the value of a ticket goes to which company and what to another. Thus there is a great waste of public money though there is no competition. Robert Stephenson told in the mother of Parliaments that in railways "combination is possible but competition is impossible." In the interests of trade, the public and economy, we ask for a united State management and the abolition of this chaos of "competing" managements.

Other futile arguments that the champions of the company management eagerly put forward are that the State cannot

* The Hon'ble Mr. Vijayaraghava Chariar said in the Supreme Legislative Council: "I believe the special commissioner for Indian Railways, Mr. Thomas Robertson, recommends, in my humble opinion, by implication, State Management."

Koviloor Acadamy

find suitable workmen and officers and cannot afford to go into details of management. They forget that the workmen will have better prospects under a State management and thus many will be available. The present workmen themselves can be emyloyed. England was suddenly forced by war to manage her railways but employs the same staff. Though many workmen have been enlisted for the army, the State is still able to manage the huge traffic. Thus efficiency is increased and not decreased as some prophesy under State management.

As for being troubled with minor details, is not State now managing the postal department which is as efficiently conducted as any other department? When the State takes up the management, there will also be more co-operation between the post office and the railways which will be conducive to economy.

In other Countries

Let us just see how other countries have fared under State management. State ownership of railways in the United Kingdom was settled in principle more than half a century ago. On the out-break of the war, the State has "nationalised" its railways, so far as control and supreme administration are concerned. "By completing the process of nationalisation, the Government, it is argued, can not only ensure for the whole community, the advantages of greater facilities for locomotion and transport, eventually even at lower rates, but also—consistently with giving full compensation to the shareholders and other interests affected—relieve the exchequer from part of the financial load involved in the provision for repayment of the War Debt..... .....Viewed as a financially desirable measure, as well as with regard to incidental advantages that would accrue to national life, trade and industry, it is of the highest importance that the railways should not revert to private control after the war but should be acquired outright by the State." Such is the decision that the Research Committee of the Fabian Society have arrived at after thorough investigation.

In Europe, the tendency has always been for State management and it has proved thoroughly successful. In

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Germany,* the State has the charge of the railways both for strategic purposes as well as for helping her industries. The Government have been roused to the idea of the supreme importance of a railroad policy as an element in the industrial and even in the political life of the nation and have felt that nothing short of complete ownership and direct management of railways would give them the power to which they aspired.

In Belgium, where the Government manage the railways, the mails are carried free and the railways are of great help to the industries. In Holland, Denmark, Norway and Sweeden, State management has proved more successful then company management. In France, all the lines do not belong to the Government, yet the lines that are managed by the State are better than other lines. In Italy, where many think that State management has failed, it is a success inasmuch as the rates on the State lines are cheaper and the management is better.

It has proved its usefulness in the colonies. Australia has got a large national debt and her railways are managed by the State. The national debt can be paid off by selling the railways. But the opinion against reverting to the old chaotic company management is so strong that the Government keep the lines in their own hands. Thus State management has been a success in United Kingdom, the colonies and in the States of Europe.

Says Mr. Clement Edwards : " The question as to whether the cost of administration is greater under State or private management is one of vital importance. There are some who are prepared to nationalise the railways on principle even if their cost of administration should be greater than under private ownership. And there is certainly a very great deal to be said for their contention, for the railroads have become the virtual highways of the country and the theory of using the highways for the development of the country regardless of whether they 'pay' might not unreasonably be applied to the railways as a final resort." But Mr. Jeans has compared

* "I wou'd therefore again refer to Prussia which can be taken as a model and my authority is Mr. Lloyd George, the distinguished Chancellor of the Exchequer (now the Premier of England) not to speak of others "— The Hon'ble Mr. Vijayaraghavachariar.

Koviloor Acadamy

State managed railways with private lines in the same country as follows:

Countries.	Cost of Administration of State lines	Cost of administration of company's lines.
Germany ...	9·40	13·10
Austria Hungary ..	6·05	8·47
Belgium ...	5·05	10·13
France ...	16·16	9·58
Italy ...	6·49	8·76
Norway ...	7·30	7·00
Holland ...	5·30	10·35
Rumania ...	4·40	10·80
Russia ...	9·27	13·70

We can see from this that State lines are invariably more economically managed than company's lines except in France. "This difference," Mr. Jeans tells us, "is explained by the fact that the State only owns the feeders and companies the main trunks." France therefore is exceptional. The State generally expends a greater amount to keep the "permanent way" in good order so that public interests are safeguarded. The companies expend a larger amount on the traffic expenses due to laxity of management. We take the following statistics from MULHALL'S DICTIONARY OF STATISTICS:

Countries.	Average per mile.			
	Receipts.	Expenses.	Profit.	Per cent on capital.
United Kingdom ...	£ 4,230	£ 2,360	£ 1,870	3·87
Germany ...	*2,606*	*1,480*	*1,120*	*5·64*
Belgium ...	*2,780*	*1,550*	*1,230*	*4·60*
United States ...	1,280	904	376	2·91
India ...	830	400	430	4·30
Japan ...	*1,480*	*640*	*480*	*7·00*

From this we see that State-managed lines give a higher percentage of profit on capital than company-managed lines. Most of the lines in the United Kingdom, the United States of

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America and India are managed by the companies whereas most of the lines in Germany, Belgium and Japan are managed by the State. The State management as a business problem is more economical and profitable than the company's management. Speaking of the Belgian Railways, Mr. Charles Waring says: "The advocates of State railways are entitled to take credit for the fact that side by side with State administration and the successive reductions of rates and fares the country has developed a high degree of material prosperity unequalled by any other nation of similar area, population and resources in the world."

From the standpoint of the public and national trade, the present system looks as if it is hopelessly beyond redemption. Sir H.W. Taylor once said: "If the State does not soon manage the railways, the railways will manage the State." It looks as if such a state of affairs will come to pass if the State does not soon take up the management here. The State should take up the management of the railways if it wishes our trade and industries to prosper and also in the interests of the suffering public.' Mr. Sydney Webb says: "The advantages to be derived from railway Nationalisation are, it is clear, of three different kinds; and it is proposed that they should be divided amongst three different interests. There is the advantage of getting rid of competitive waste, on the one hand, and of the occasional extortions of a local monopoly on the other; and the substitution of a unified public service, free from the temptation of profit making for the multiplicity of seprate systems bent only on extracting 'what the traffic will bear.' From this profitable substitution which will of course take some time to realise, but which will be realised more and more as years go on, together with the future 'unearned increment' caused by the mere increase of population and trade, will be derived the means for a progressive improvement in the service to be shared by the users of the railways, on the one hand, in a systematic revision of fares, rates and conditions and on the other, by the 630,000 employees of the State Railway Department (including canal workers) within a decade in a levelling up of wages, and conditions, the total abolition of excessive hours of labour and a legitimate participation of all grades in

Koviloor Acadamy

the administration of the service on which their working lives depend." Both as a business proposition as well as a principle of good Government, it is the duty of the State to manage our railways. When the State is trying to reduce waste on account of war, here is a source of income as well as a place to enforce War Economy and most important of all considerations unless the State manages the railways, the people will suffer and the progress of our Nation will be checked.

Finally, we invite the attention of our readers to the gravest feature of the present system of management, its unnatural character, and they will see that the question at issue is not *exactly* State *vs.* Private Management as in America To sum up:

(1) The Companies are foreign, and the profits go out of the country, and the Railways are not ultimately exploited by the children of the soil, as in the case of other Nations where Company-owned Railways exist.

(2) The Government of India have bought several of the Railway lines, so that the scheme of nationalisation has been more than half given effect to. Thus the money that goes out of the country as dividends does not form the interest on capital, but only the cost of nominal supervision by a few magnates in London

(3) The Companies being managed from London are not amenable to influence in the spot. Some of them have been notorious for following an anti-Indian policy concerning our industries. All popular complaints, such as that of overcrowding and maintaining the racial bar, are brushed aside.

(4) Owing to the great influence of the London magnates over the India Office and the Secretary of State, even the Government of India feels itself powerless in several matters of improvement.

Thus the present system is unnatural and harmful in many ways—unnatural because the seat of control is six thousand miles from the place of management, because the Indian tax payer has paid for the construction in many cases and others enjoy the profit and because the Indians Railways are not always pro- Indian. And in every one of these ways, the present system is harmful to the progress of the Motherland.

VANDE MATARAM

Koviloor Acadamy

APPENDICES

In corroboration of what has been stated in the body of this pamphlet, we append the following statements. First we shall begin with what some Hon. Members said in the supreme Council.

THE HON'BLE SIR IBRAHIM RAHIMTULLA :

"It is hardly correct to say that the managing companies should be allowed to work on a purely commercial basis. It has to be remembered that the railways in India are practically the monopoly of the State, and if the managing companies are allowed to exploit the concerns purely on a commercial basis, they can draw at the expense of the country a huge revenue by raising the rates of the carriage both of goods and passengers. This would mean a heavy load of indirect taxation in which the managing companies would substantially share. The question of rates as affecting the Indian manufactures in the interior of India has also a most far-reaching importance on the industrial development of this country.....Frequent changes are made in the rates which affects Indian Trade."

THE HON'BLE SIR FAZULBHOY CURRIMBHOY :

"The first and foremost (reason) of course is the one relating to the differential treatment as regards rates on these company managed lines of internal and sea-borne commerce to which the Hon'ble mover has referred. The general complaint among merchants connected with the inland trade is that the schedule of freight on these lines for export and foreign imports is much lighter than the schedule of rates for goods moved from one part of the country to another, or to be more precise the rates inland from sea-port towns are generally lower than between two intermediate stations. I am quite prepared to concede that in cases where goods have to be trans-shipped at a junction station an extra-charge for handling is fair. But making every allowance, it is difficult to believe the higher rates are unavoidable. We have every right to insist that both external and internal trade should receive one and the same treatment on our railways and all distinctions in favour of the former should be removed."

THE HON'BLE MR. MADAN MOHAN MALAVIYA :

"Nor is the change advocated less peremptortily called for in the interest of Trade. The need for it here is, if anything, greater

Koviloor Acadamy

As my Hon'ble friend Sir Ibrahim Rahimtoola has pointed out, there are differences in rates that cannot be justified for a moment ; there is an absence of the right principle in fixing them. Rates for raw exports are more favourable than rates for indigenous articles and for inter-provincial trade. The Council will be surprised to hear that the rates for imported wines and spirits are of the 1st Class, namely 1/3rd of a pie per maund per mile, while the rate for Ganges Water is 4th Class, namely 3/4th of a pie! Wine and spirits imported from abroad are thus far more favoured under the present system than the holy water of the Ganges which the vast millions of this country regard as a thing which every human being will be blest to have a portion of! Then look at other rates. The rates for *Ghee*, an essential article of food for the people, and for the oils, are very heavy, while the rate for oil seeds is very low."

APPENDIX B

The following passage taken from the Fabian Research Committee's book, *How to pay for the war*, will indicate with what advantage to the country the railways and post office can co-operate with each other :

The parcel post started in 1883, is still limited in the United Kingdom to a maximum weight of 11 lbs. This is much too low. In the United States (where the Government does not own the railways) the post office now carries up to 50 lbs ; in Germany, Switzerland and other countries (where Government ownership prevails) up to as much as one hundred weight (112 lbs).

And the British Postmaster General, always hindered by the treasury, has been unduly timid about rates. He charges 1 sh. for a parcel of 11 lbs., which the German post office will carry from Emden in North West Germany to Transylvania at the extreme end of Austria-Hungary about twice the extreme distance in the British Isles for just half that sum. Heavier packages are charged for, on the Continent, on a 'zone' system according to distance but at rates no less moderate.

It is difficult to ezaggerate the advantage which an extension in weight and a cheapening in rates of the British Parcel Post would bring not only to the private customer, but also to the agriculturist, the manufacturer and the trader, in town as well as country, in large places as well as small. With an efficient Parcel Post, his remoteness from the railway station ceases to be a drawback ; the distance at which his customer lives is no longer a consideration

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to him. He is relieved from the costly and utterly uneconomical system of each little producer maintaining his own means of conveyance. He is freed from subjection to a railway company; he is no longer hampered by 'classification' in rates; he need fear no concession of 'preference' to a trade rival.

APPENDIX C

The following extracts from the report of the Pilgrim's Committee indicate the treatement which third class passengers have to tolerate under the present system of railway management:

"We are bound to state that the accommodation provided for pilgrims seems to be capable of much improvement. The waiting sheds are small and inadequate—the space provided at Tirupati East being in our opinion particularly cramped. The lighting at Renigunta and Katpadi Junctions leaves something to be desired. The rolling stock is very poor. Pilgrims are admittedly still carried in goods-wagons, the reason given being that the number of passenger coaches is insufficient and that it does not pay to collect enough carriages from a distance in order to deal with the extra traffic occuring on only a few days in the year. We cannot think it right that pilgrims should be huddled together in goods-wagons. We understand that on broad gauge they are not used, except on such occasions as the Pushkarams at Rajahmundry and Bezwada. We think their use should be prohibited also on the metre gauge line and that it is incumbent on the Government, the predominant partner, to see that sufficent rolling stock is provided."

The Hon'ble Rao Bahadur M. Ramachandra Rao, in his minute of dissent, writes:

"We have unaninmously come to the conclusion that at festival times there is 'very considerable over-crowding' in the trains of the South Indian Railway and that the complaint about over-crowding is certainly a genuine grievance and is by no means confined to festival occasions. My colleagues are, however, disposed to doubt whether the over-crowding is so excessive as to constitute a scandal. I do not know at what stage my colleagues would regard that 'the very considerable over-crowding' occuring on the South Indian Railway would amount to a scandal. This must be a matter of individual opinion. The responsibilities of the Railway under the Indian Railway Act and also as common carriers, are defined by statute, and I am not prepared to apply any other test. From what

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I have heard and seen during our tour, the South Indian Railway are not disposed to treat any act of over-crowding as a scandal. We have unanimously come to the conclusion that on festival occasions the Railway Company packs its trains to their utmost capacity, and action to relieve the congestion is taken only when the passengers are found standing in the trains. Whether this state of things amount to a scandal or not, it is certainly not a matter of indifference to the travelling public. Numerous complaints on the subject of over-crowding on the South Indian Railway have been made for years both in the press and on the platform and in the Legislative Council, but the Railway Administrators have always tried to dispute the accuracy of these complaints. In this country, the construction of the railways is practically a State monopoly and the South Indian Railway is now a State line and under the agreement for the working of this line 13—14ths of the net profits is appropriated by the Government. . . . . The increase of the third class passenger traffic carried on the South Indian System is quite a distinct feature and amounts to nearly 33 per cent over the previous figures for the quinquennium ending with 1913-14. I trust, therefore, the Government will take steps for removing this long standing complaint in Southern India.

"It has been asserted that the extra accommodation is not usually provided from the junction stations and that consequently the connecting trains during the festival times are so over-crowded as to make a journey during the period very uncomfortable. . . . . I must conclude that the present arrangements of running specials to the nearest junction stations, without expanding the train-accommodation from these points is causing a great deal of public inconvenience."

APPENDIX D

The following extract from *New India* bears out our remarks on the treatment meted out to the Congress Special:

"It will be quite in keeping with the treatment that the Railway authorities have offered us if they will wire to the coming station to inform the criminals in their neighbourhood that a train with a few rich passengers and women as well, was travelling mainly without lights and at a snail's pace"—This was the comment of a distinguished leader of Madras when the inmates of the Congress Special were informed at Wadi that they would have to pass the night in darkness. And it was quite a common joke with the passengers that their Special was being treated in quite a *special* way by the authorities.

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The carriages were almost all in a rickety condition. The engines attached were invariably of the inferior type ; and as to other inconveniences, the less said the better. The train would generally be stopped somewhere on the way or outside the station for long periods, and no passenger was able to secure or even guess at any explanation. For instance on the return journey, the train stopped for almost an hour outside the Bhopal station and no one knows why. As a result of all such vagaries, the special which was to have reached Madras on Tuesday night arrived on Wednesday evening !

As we said, the passengers do not know why they were so treated, and the only reason they are able to guess is that they belonged to the party of agitators whom the Railway authorities are not particularly fond of in this country. The thought that the train contained some of the noblest British Indians of this province never seemed to have struck the powers that be. In fact, it almost looked as if the latter wished to bring home to our leaders, exactly how miserable was their position in their own country. And if that were the underlying motive, we congratulate them on their success. They have played their part most successfully. Some of the passengers have felt that even a ballast train, carrying mud and stones, would not have been treated worse ! "